

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**August 14, 2006**

**8:30 a.m.**

Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA

**COMMITTEE MEMBERS**

Charles Valdes, Chair  
George Diehr, Vice Chair  
Philip Angelides  
Marjorie Berte  
Robert F. Carlson  
Rob Feckner  
David Gilb  
Priya Mathur  
Tony Oliveira  
Mike Quevedo, Jr.  
Kurato Shimada  
Maeley L. Tom  
Steve Westly

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|-----------------------|--|
| <b>CLOSED SESSION</b> | <b>8:30 a.m.</b><br>Chief Investment Officer's Briefing on Market and Personnel Issues<br>(Government Code sections 11126(a)(1) and (c)(16))   |
| <b>OPEN SESSION</b>   | <b>9:00 a.m.</b>   |
| <b>CLOSED SESSION</b> | <b>11:00 a.m. or Upon Adjournment or Recess of Open Session,<br/>whichever is later</b><br>Total Fund Consultant Briefing, Wilshire Associates, Inc.<br>(Government Code section 11126(c)(16)) |
| <b>CLOSED SESSION</b> | <b>Upon Adjournment or Recess of Open Session</b><br>(Government Code section 11126(c)(16) and 11126(e)(2))  |

## **AGENDA**

### **OPEN SESSION**

- |             |     |  |
|-------------|-----|--|
|             | 1.  | Call to Order and Roll Call  |
| Action      | 2.  | Approval of the June 19, 2006 Open Session Minutes                   |
| Information | 3.  | Cost Effectiveness Measurement (CEM) Report                          |
|             | 4.  | Real Estate  |
| Action      |     | a. Selection of International REIT Managers                          |
| Information |     | b. R Street Subcommittee Report                                      |
| Information | 5.  | Alternative Investment Management (AIM) Program                      |
|             | 6.  | Global Fixed Income  |
| Action      |     | a. Selection of International Fixed Income Managers                  |
|             | 7.  | Global Equity  |
| Action      |     | a. Selection of U.S. Equity Growth Managers                          |
| Information |     | b. Corporate Governance Co-Investment Strategy                       |
| Information |     | c. Corporate Governance Internal Staff Working Group Update          |
|             |     | 1) Stock Option Backdating Update                                    |
|             |     | 2) SEC Executive Compensation Disclosure Rule                        |
| Action      |     | d. Internal Management of International Indexation Assets            |
| Consent     | 8.  | Policy Subcommittee Report   |
|             |     | a. Fixed Income Policy – Revision of Credit Enhancement Program      |
|             |     | b. Miscellaneous Policy – Revision of Directed Brokerage Arrangement |
|             | 9.  | Chief Investment Officer's/Assistant Executive Officer's Report      |
| Consent     |     | a. Consolidated Investment Activity Report                           |
| Information |     | b. Assistant Executive Officer's Status Report                       |
| Information |     | c. Wilshire Study on CalPERS Corporate Governance Program            |
|             | 10. | Draft September Agendas  |
| Information |     | a. Investment Committee, September 11, 2006                          |
| Information |     | b. Natural Resources/Commodities Workshop, September 12, 2006        |
|             | 11. | Public Comment   |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

## **AMENDED AGENDA**

**CLOSED SESSION      Upon Adjournment or Recess of Open Session**  
(Government Code section 11126(c)(16))  
(Government Code section 11126(e)(2) [Item 3b only])

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|-------------|----|---|
|             | 1. | Call to Order and Roll Call   |
| Action      | 2. | Approval of the June 19, 2006 Closed Session Minutes                              |
| Information | 3. | Real Estate   |
|             |    | a. R Street Subcommittee Report   |
|             |    | b. Actual and Potential Litigation and Settlement – Headquarters Building         |
|             |    | 1) CalPERS v. City of Sacramento, et al (Sacramento Superior Court No. 05AS04154) |
|             |    | 2) Other Potential Litigation and Settlement Matters                              |
| Information | 4. | Alternative Investment Management (AIM) Program                                   |
|             |    | a. W. L. Ross & Co. Update  |
| Information | 5. | Global Fixed Income   |
|             |    | a. External Manager Update  |
| Information | 6. | Global Equity   |
| Information |    | a. Risk Managed Absolute Return Strategy Program Review                           |
| Action      |    | b. External Manager Update  |
| Information |    | c. Addition to 2006 Monitoring List   |
|             |    | d. <b><u>Investment in Corporate Governance Fund</u></b>                          |
| Information | 7. | Chief Investment Officer's/Assistant Executive Officer's Report                   |
|             |    | a. Status of Action Items Not Yet Reported  |
| Consent     | 8. | Activity Reports  |
|             |    | a. Alternative Investment Management Program                                      |
|             |    | b. Risk Managed Absolute Return Strategies Program                                |
|             |    | c. Public Markets   |